



**STATE OF WISCONSIN
Division of Hearings and Appeals**

In the Matter of

██████████
██████████
██████████

DECISION
Case #: CWA - 220447

PRELIMINARY RECITALS

Pursuant to a petition filed on October 16, 2025, under Wis. Admin. Code § HA 3.03, to review a decision by the Bureau of Long-Term Support regarding Medical Assistance (MA), a hearing was held on February 24, 2026, by telephone. The hearing was rescheduled multiple times.

The issue for determination is whether an IRIS participant has a right to a Fair Hearing with the Division of Hearings and Appeals when there has been no adverse action related to her IRIS benefits or services.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

██████████
██████████
██████████

Respondent:

Department of Health Services
201 E. Washington Ave.
Madison, WI 53703

By: TMG
Bureau of Long-Term Support
PO Box 7851
Madison, WI 53707-7851

ADMINISTRATIVE LAW JUDGE:

Jason M. Grace
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner is a resident of ██████████. She is enrolled in the IRIS program, with TMG her IRIS consultant agency. The petitioner uses iLIFE as her Fiscal Employer Agency (FEA) in the IRIS program.

2. The IRIS program funded petitioner's stay at an Adult Family Home (AFH) that was owned by [REDACTED].
3. On or about October 3, 2025, the FEA sent an e-mail to the AFH informing that it received an overpayment of \$1,368.80 as petitioner was not at the AFH from June 1, 2025 – June 10, 2025. No appeal rights were provided.
4. On October 16, 2025, an appeal was filed with the Division of Hearings and Appeals in petitioner's name seeking to contest the FEA's determination that the AFH provider received an overpayment.
5. No notice of action was issued to the petitioner regarding an overpayment. Nor has any adverse action been taken that impacts petitioner's IRIS benefits, services, or choice of providers based on the FEA's overpayment determination. The overpayment is not being pursued against the petitioner.
6. On October 29, 2025, a formal notice of action indicating that an IRIS Budget Amendment request submitted on petitioner's behalf for respite was denied due to inconsistencies about her living situation. The petitioner did not appeal that denial.

DISCUSSION

The IRIS program is a Medicaid long term care waiver program that serves elderly individuals and adults with physical and developmental disabilities. IRIS is an alternative to Family Care, Partnership, and PACE—all of which are managed long term care waiver programs. The IRIS program, in contrast, is designed to allow participants to direct their own care and to hire and direct their own workers. The broad purpose of all of these programs, including IRIS, is to help participants design and implement home and community based services as an alternative to institutional care. See IRIS Policy Manual §1.1B, Medicaid Eligibility Handbook §28.1, et. seq., and 42 C.F.R. §441.300, et. seq.

State policies governing administration of the IRIS program are included in the IRIS waiver application approved by the Centers for Medicare and Medicaid Services (See Application for 1915(c) HCBS Waiver: WI.0484.R03.00 - Jan 01, 2021); IRIS Policy Manual; IRIS Work Instructions; and IRIS Service Definition Manual.

The Department of Health Services (Department) is the state agency that oversees and administers the IRIS program and it contracts with and/or assigns specific operational duties to each of the following: Aging and Disability Resource Centers, IRIS consultant agencies, IRIS fiscal employer agents (FEA), and income maintenance agencies (IM).

The petitioner is enrolled in the IRIS program. An appeal was filed in this case in her name seeking to address a determination by her FEA that her prior AFH provider received an overpayment. There was no adverse action taken against the petitioner related to that determination. Nor has a notice of action been issued to the petitioner by the IRIS program connected to any overpayment determination against the AFH provider. The Department did deny a Budget Amendment request for respite services based on inconsistent information as to where petitioner was living. However, the petitioner did not file an appeal contesting that denial.

It is clear from the appeal filed in this case and the presentation of evidence at hearing that the AFH, which is owned by petitioner's ██████████ is the driving force behind the appeal seeking to contest the overpayment. There was no showing at hearing that any adverse action had been taken against petitioner personally or that impacted her IRIS benefits. There was no denial, reduction, decrease, limitation, or termination in her IRIS benefits or services related to the AFH provider being informed that it received an overpayment. The record indicates the overpayment was a determination made by the FEA and that the matter was referred to the Wisconsin Department of Justice for review.

An IRIS participant has a right to a Fair Hearing to contest an adverse action as follows:

The formal State Fair Hearing process is used primarily for “adverse actions” defined as a denial, reduction, termination or limitation of previously authorized services, denial of requested services, or when a participant is determined financially or functionally ineligible for the IRIS program. ...

IRIS Waiver, pg. 224.

Separate from the formal Fair Hearing process, an IRIS participant may file a complaint or grievance regarding dissatisfaction about any aspect of the care of service provided by the IRIS program. The IRIS Waiver provides the following:

- a) IRIS program participants and/or representatives may file complaints/grievances regarding dissatisfaction about any aspect of the care or service provided by the IRIS program. The formal state fair hearing is used primarily for “adverse actions” defined as a denial, reduction, termination or limitation of previously authorized services, denial of requested services, or when a participant is determined financially or functionally ineligible for the IRIS program.
- b) IRIS program participants and/or representatives may report complaints and grievances in several ways. Participants can contact their ICA or the FEA, SMA staff, Ombudsmen, Wisconsin Department of Health Services Secretary’s Office, Wisconsin State Legislator, Office of the Governor, or other external advocacy agencies. Additionally, the SMA contracts with an external quality review organization (EQRO) who provides services to assist and mediate complaints/grievances. As part of the contractual services, the EQRO provides a staff monitored email inbox and independent telephone hotline for participants and/or representatives to report complaints/grievances. The EQRO must complete its review of the complaint/grievance within 30 calendar days with the exception of participant-hired worker payments which should be resolved within 3 business days. The SMA and the EQRO reviews and analyzes trends in the data collected by the EQRO with the goal of streamlining the complaints/grievance process or eliminating reoccurring concerns/problems. All complaints/grievances not made to the EQRO and acknowledged by the SMA, are addressed and resolved expeditiously.

...

This complaints/grievance process is separate from and does not have any impact on the state fair hearing process when the participant has a right to a state fair hearing.

IRIS Waiver, pgs. 225-226.

While petitioner may have the right to pursue a complaint or grievance related to the FEA’s determination that her prior AFH provider, i.e., ██████████ received an overpayment, there has been no showing petitioner has a right to a Fair Hearing with the Division of Hearings and Appeals to address that issue as

no adverse action has been taken against her IRIS benefits or services. I would note that even if the petitioner did have such a right, the Fair Hearing decision issued by the DHA would be limited to addressing petitioner's IRIS benefits or services. It would not bind or otherwise limit the DOJ, or any other agency, in any action against the AFH provider.

CONCLUSIONS OF LAW

The petitioner does not have a right to a Fair Hearing with the Division of Hearings and Appeals to contest the overpayment determination against one of her IRIS service providers as no adverse action has been taken against her IRIS benefits or services.

THEREFORE, it is **ORDERED**

That petitioner's appeal is dismissed.

REQUEST FOR A REHEARING

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 4822 Madison Yards Way, 5th Floor North, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

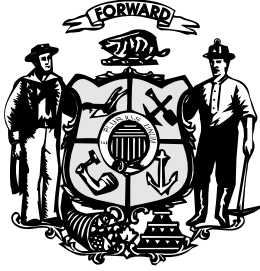
APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 201 E. Washington Ave., **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,
Wisconsin, this 25th day of March, 2026

\s _____
Jason M. Grace
Administrative Law Judge
Division of Hearings and Appeals



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on March 25, 2026.

Bureau of Long-Term Support

